

MINUTES
of the
SECOND MEETING
of the
WELFARE REFORM OVERSIGHT COMMITTEE
July 29-30, 2008
State Capitol, Santa Fe

The second meeting of the Welfare Reform Oversight Committee (WROC) was called to order by Representative Luciano "Lucky" Varela, chair, on Tuesday, July 29, 2008, at 10:15 a.m. in Room 322 of the State Capitol in Santa Fe. Handouts are in the meeting file.

Present

Rep. Luciano "Lucky" Varela, Chair
Sen. Linda M. Lopez, Vice Chair
Sen. Sue Wilson Beffort
Sen. Dianna J. Duran
Sen. Clinton D. Harden, Jr.
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino
Rep. Nick L. Salazar
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn

Absent

Sen. John Pinto
Rep. Jim R. Trujillo

Advisory Members

Rep. Nathan P. Cote
Rep. Candy Spence Ezzell
Rep. Miguel P. Garcia
Rep. Larry A. Larrañaga (7/29)
Rep. Edward C. Sandoval

Rep. Daniel R. Foley
Sen. Steven P. Neville
Sen. John C. Ryan

Other Members in Attendance

Rep. Patricia A. Lundstrom (7/30)

(Attendance dates are noted for those members not present for the entire meeting.)

Staff

Jennie Lusk
Pam Ray
Carrie McGovern

Guests

The guest list is in the meeting file.

Tuesday, July 29

Weatherization, Home Heating and Options for Helping People in Poverty Meet Their Utility Bills

A panel, including Cathy Sisneros, Human Services Department, Izzy Hernandez, New Mexico Mortgage Finance Authority, and Roy Stephenson, Public Regulation Commission, discussed New Mexico's history with the Low Income Home Energy Assistance Program (LIHEAP), especially in light of Governor Richardson's plans to ask for \$4 million for LIHEAP and \$4 million for weatherization programs in a special session announced for August 15, 2008.

Ms. Sisneros said that after the winter "moratorium" period, utility providers may disconnect service even to low-income utility customers. If those customers are not current or enrolled in a payment program, they will not be eligible for LIHEAP funds in the current LIHEAP year. Mr. Stephenson said that Senator Lopez's bill, SB 189, which directed one-third of the natural gas processors' tax to a newly created Home Energy Relief Fund, had consensus support since it both generated money for weatherization and created energy savings. Although the bill died, he said the committee might want to consider it for the long session.

Representative Sandoval expressed his continuing concern that the legislature's support of LIHEAP wavers so widely — between \$2 million appropriated in the last session due to the WROC-endorsed appropriation bill to \$23 million in the most recent special session — and suggested that the legislature should make an overt decision whether or not to do something significant to help vulnerable people and those on fixed incomes pay their ever-rising utility bills.

Mr. Hernandez explained the eligibility for weatherization programs, which enable even low-income renters to receive state dollars for weatherizing rental units so long as at the time of the grant, someone in the house meets LIHEAP qualifications. Although the average cost per unit weatherized is \$3000, the investment lasts 15 to 20 years. However, only an estimated two percent of all eligible homes in New Mexico have been weatherized, approximately 1,000 per year for the past seven years. The New Mexico Mortgage Finance Authority has worked on homes in every New Mexico county, as required.

Ms. Sisneros confirmed that there is a significant affordability gap for low-income utility customers — between \$600 and \$850 per season. There are an estimated 67,506 residential accounts past due. There is no prioritization of LIHEAP funding for, say, first persons with children or elderly persons; funds are allotted first come, first served.

On a motion by Representative Sandoval and seconded by Senator Lopez, the committee unanimously endorsed legislation for an additional \$8 million general fund appropriation for LIHEAP weatherization and other services for the 2009 fiscal year.

Workforce Solutions Department Update

Secretary Betty Sparrow Doris reviewed progress at the Workforce Solutions Department since its establishment on July 1, 2007. The department aims to use the perspective of the

employer of New Mexicans who enroll at work force locations to create a "demand-driven" program. The department now has 30 integrated Workforce Solutions Department offices and has only five more to go, Ms. Sparrow Doris said, noting that some are physically co-located and some are only "virtually" co-located.

Human Services Department Update on Welfare Reform Efforts

Deputy Secretary of Human Services Katie Falls attempted to answer the complex question of whether efforts to reform the welfare system have been successful, in light of the fact that the WROC will end in December 2008 absent new statutory authorization. Her short answer was that the numbers of cases on public assistance has declined over the past 10 years. Whether this means that people have moved out of poverty and can live without state support, particularly intense state support, is another matter.

She said legislators should be proud of the New Mexico Works Act, which has led New Mexico to invest in education that leads to better employment. Unfortunately, new federal acts, particularly the Deficit Reduction Act of 2005, make federal funds unavailable for educational efforts, such as those authorized in the New Mexico Works Act. She reviewed handouts (see the meeting file) with legislators, who expressed concern at the newly recognized "disconnected single mothers" category. Ms. Falls said that such "disconnected" mothers have no safety net and usually rely on a non-relative male or parents for support.

In response to questions from Representatives Ezzell and Tyler, Ms. Falls said that federal rules prohibit denying temporary assistance to needy families funds to persons because of substance abuse and noted that the state had attempted to institute mandatory drug screening for public assistance applicants. Staff was requested to prepare a memorandum on the issue.

Representative Varela asked Ms. Falls to report the numbers of persons hired who actually remain in their jobs for any length of time, in keeping with new departmental performance measures.

Lawrence Rael, Mid-Region Council of Governments (MRCOG), attended as a representative of an agency involved with the work force in the central New Mexico region and reported that Albuquerque now has a one-stop work force center on Mountain Road and that MRCOG is also creating a business center so that business people can come to it and conduct interviews and assessments. Another one-stop shop is being completed in Rio Rancho in Sandoval County. Representative Varela asked him to give the committee a list of all the services available at the one-stops in the central region and to contact the Department of Information Technology to coordinate a presentation on ways that all the work force centers will be connected.

Ms. Falls noted that transportation remains a problem, both in the central and northern areas. Mr. Rael and Representative Varela discussed rural transportation districts.

The committee recessed at 4:25 p.m.

Wednesday, July 30

The committee reconvened at 10:10 a.m.

Poverty and Poverty Reduction Proposals

Ruth Hoffman, Lutheran Advocacy Ministry, gave an overview of New Mexico's poverty situation and proposed solutions to poverty problems both through raising income and reducing expenses. To raise income, she suggested that committee members might want to encourage asset-building, financial literacy, education of persons in the workplace and increased tax credits; to reduce expenses, families can reduce costs of housing, child and health care, utilities and food, especially for children in families where it is plain that the parents are likely never to attain marketable skills. She also praised Senator Ortiz y Pino's suggestion that the Corrections Department ensure that persons who leave prisons and residential facilities have attained a high school diploma or a graduation equivalency diploma.

Ms. Hoffman said that having a safe place to live is the most crucial support for getting families out of poverty because children remain in a single school and in identified surroundings when permanency is established. The New Mexico Housing Trust Fund, however, is not well-funded.

Bill Jordan, policy manager at New Mexico Voices for Children, requested that legislators redirect excess funds that may be spent during a special session in a few weeks from rebates to investments in poor people — investments that will help more people out of poverty.

Senator Beffort discussed the idea of maintaining eligibility for families that use child care assistance even after they earn too much for initial qualification for the state support (i.e., to lessen the impact of the "cliff effect"). Perhaps, for instance, a family could qualify with earnings that are 200 percent or less of the federal poverty level (FPL), yet not lose its child support stipend until its income reached 250 percent of the FPL. She also urged members to support programming after school at middle schools — vocational education, sports and other classes that keep children engaged and learning beyond the standard school day — at least in part to help lower the pregnancy rate.

Adjournment

The committee adjourned at 1:45 p.m. The next scheduled meeting is in Albuquerque on August 26 and 27, with the place to be announced.